

Department of Social and Health Services

DP Code/Title: PL-UW Funding for Required Waiver Service
Program Level - 040 Div of Developmental Disab

Budget Period: 2003-05 Version: D2 040 2003-05 2004 Sup-Agency Req

Recommendation Summary Text:

This decision package is to request funding for Division of Developmental Disabilities (DDD) clients who are on the Community Alternatives Program (CAP) waiver and have unmet assessed health and welfare needs. Statewide result number 5.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040			
001-1 General Fund - Basic Account-State	1,744,000	1,853,000	3,597,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	1,969,000	1,851,000	3,820,000
Total Cost	3,713,000	3,704,000	7,417,000

Staffing

Package Description:

A review of DDD's CAP waiver was conducted by the Center for Medicare and Medicaid Services (CMS) July 2001 - January 2002. The CMS report from this review states in Recommendation #4: "Remove all provisions from existing laws, regulations, policies and procedures that support or encourage denying CAP clients access to needed waiver services due to funding limitations. At the same time, laws and policies should be implemented recognizing the need to fully fund the waiver services CAP participants are assessed to need."

In ongoing discussions about Washington's applications for four new waivers, federal officials in Baltimore have separately asked for assurance that Washington will meet waiver participant needs per the recent July 2002 review.

Since the completion of the CMS review, services are being authorized and provided to all waiver clients who have been assessed and identified as having unmet health and safety needs. While the division did not receive funding to address these assessed client needs, it was imperative services be authorized in order to not jeopardize continued federal funding for Washington State under the CAP waiver. Currently the division receives approximately \$125 million per year in federal funding through the waiver.

This request is for funding to cover the costs of the services, which have been authorized to address the assessed needs of waiver clients. This funding will support these mandatory waiver services currently being provided to 86 persons at a total cost of \$1.85 million per year General Fund-State.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This decision package relates to the division's strategic plan to effectively and efficiently use resources to accomplish the values, principles, and the mission of DDD, while maintaining accountability for client health and welfare. DDD will design and maintain an effective system of services and supports needed to ensure clients receive the supports necessary to maintain their health and welfare.

Performance Measure Detail

Program: 040

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Goal: 06D Effectively/efficiently use resources to accomplish values/principals/ mission

Incremental Changes
FY 1 FY 2

Output Measures

6DA Estimated number of clients served in community based secured residential settings.

0 0

Goal: 10D Maintain and/or increase service capacity and quality assurance monitoring

Incremental Changes
FY 1 FY 2

No measures submitted for package

Reason for change:

Prior to the CMS review, the division denied services to clients based on lack of funding. Per the CMS review recommendation, DDD would jeopardize receipt of federal revenue through the CAP waiver should a client be denied access to needed waiver services.

Impact on clients and services:

The funds requested through this decision package will enable DDD to meet the CMS requirement under the CAP waiver mandating that client assessed needs be met.

Impact on other state programs:

If the needed funding is provided, other programs will not be impacted as persons on the CAP waiver will have their needs met.

Relationship to capital budget:

Not applicable

Required changes to existing RCW, WAC, contract, or plan:

Not applicable

Alternatives explored by agency:

The only alternative available if DDD does not have adequate funds to meet the needs of clients on the CAP waiver, is to deny them access to their needed waiver services. Per the CMS review of the CAP waiver, denial of services for assessed needs of waiver clients will risk the department's eligibility for federal revenue under the waiver.

Budget impacts in future biennia:

These clients will require on going services in future biennia. DDD has requested approval from CMS for four new waivers in an effort to control future costs. However, under the current waiver, the additional services would need to be provided in future biennia.

Distinction between one-time and ongoing costs:

Ongoing.

Effects of non-funding:

Per the CMS review of the CAP waiver, denial of coverage for assessed needs of waiver clients will risk the department's

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potential for federal revenue under the waiver. Loss of federal funding for the clients currently served under the CAP waiver would cause major disruptions for clients and their families.

Most of these clients cannot be adequately served through the use of Medicaid Personal Care, Adult Family Homes or Adult Residential Centers services. If CAP clients lose their current community services due to the division losing eligibility for the CAP waiver:

- A number of these individuals would be eligible for Intensive Care Facility/ Mentally Retarded placement and would most likely request placement in an Residential Habilitation Center at a cost much higher than their current services.
- Some individuals would be eligible and would request services under the Community Options Program Entry Services waiver.
- Individuals with public safety issues will be at risk for in-patient psychiatric services or incarceration.
- Families receiving supports for their children in the family home may be forced to request out-of-home placement at a cost higher than their in-home services.

Federal matching dollars will be lost should the division be found by CMS to not be meeting the requirements of the CAP waiver to meet the health and safety needs of waiver clients.

Expenditure Calculations and Assumptions:

See Attachment - DDD PL-UW Funding for Required Waiver Services

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 040 Objects			
N Grants, Benefits & Client Services	3,713,000	3,704,000	7,417,000

DSHS Source Code Detail

Program 040	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	1,744,000	1,853,000	3,597,000
<i>Total for Fund 001-1</i>	1,744,000	1,853,000	3,597,000
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa			
<u>Sources</u> <u>Title</u>			
19TA Title XIX Assistance (FMAP)	1,969,000	1,851,000	3,820,000
<i>Total for Fund 001-C</i>	1,969,000	1,851,000	3,820,000
Total Program 040	3,713,000	3,704,000	7,417,000